

Short Title: Real Prop. Partition/Carrying Costs.

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT IN A REAL PROPERTY PARTITION PROCEEDING, A
COTENANT HAS A RIGHT TO CONTRIBUTION FOR THE COTENANT'S PAYMENT
OF CARRYING COSTS AND IMPROVEMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 46 of the General Statutes is amended by adding
a new section to read:

"§ 46-3.2. Carrying costs, including property taxes; improvements; right to contribution.

(a) Right to Contribution. – At any time during a real property partition proceeding, a
cotenant may on application assert the cotenant's right to contribution provided in this section. A
cotenant has a right to contribution from the other cotenants for the cotenant's payment of the
real property's carrying costs and for the lesser of the following:

(1) The value added to the real property by the cotenant's improvements as of the
date of the commencement of the proceeding.

(2) The actual costs of the cotenant's improvements.

(b) Property Taxes. – A cotenant's right to contribution for property taxes under this
section is limited to the amount of property taxes paid by the cotenant during the 10 years
preceding the filing of the partition petition, plus interest at the legal rate under G.S. 24-1.

(c) Scope. – Nothing in this section affects the rights of cotenants outside a real property
partition proceeding initiated under this Chapter.

(d) Carrying Costs Defined. – For purposes of this section, "carrying costs" means the
actual costs of preserving the value of and the cotenants' interests in the real property, including

1 payments for a loan to acquire the real property, homeowner's insurance, repairs, and property
2 taxes."

3 **SECTION 2.** This act becomes effective [October 1, 2019], and applies to real
4 property partition proceedings commenced on or after that date.